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The Conference Board

Economic and Business Environment Program

MONTHLY UPDATE TO

International Economic Scoreboard

A Monthly Report from The Conference Board — **March 1989**

SUMMARY

Worldwide, the business cycle continues to advance. Overall, the pace seems sustainable for the time being.

Regionally, the leading index for the four Pacific countries is far outpacing Europe and North America.

Nationally, the growth pattern appears to be somewhat sluggish in Australia, Canada and the United Kingdom. Australia's performance index is still climbing, but its leading index is slightly lower than in three of the past four months. A similar pattern obtains in Canada and the United Kingdom, where the leading index has barely moved since mid-1988.

Interpretation: The 10-country economic performance index has been climbing more or less steadily for over six years. All in all, there is nothing in the picture to suggest that the present expansion will not continue, even if at a somewhat more modest pace. Output in the industrial countries has grown strongly, world trade has been robust, and—at least until now—inflation appears to have remained under control. Further satisfactory performance hinges on whether inflation will emerge as a significant danger and whether financial markets will be willing to finance the continuing large external imbalances at existing interest and exchange rates.

Summary Of Growth Rates, Ten Industrial Countries

	Ten-year Growth Rate	Indexes of Economic Performance Growth Rates*			Leading Business Cycle Indexes Growth Rates*			Current Reading on the Cycle	Latest Month Covered
	1976-86	6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month		
	annual rates, percent								
Ten countries	3	6	5	5	8	5	7	Expansion continuing	Dec.
9 countries excl. U.S.	3	6	5	6	10	8	9	Expansion continuing	Dec.
North America (2)	3	5	4	4	4	1	4	Expansion continuing	Dec.
Europe (4)	2	5	4	4	4	4	5	Expansion continuing	Dec.
Pacific Region (4)	4	7	6	8	18	13	14	Expansion continuing, leaders strong	Dec.
United States	3	5	4	5	1	3	6	Expansion continuing	Jan.
Canada	3	5	4	4	4	1	1	Expansion continuing, leaders weak	Dec.
West Germany	2	3	3	4	4	4	5	Expansion continuing	Jan./Dec.
France	2	7	7	5	6	9	9	Expansion continuing	Dec./Jan.
United Kingdom	2	4	3	4	2	1	1	Expansion continuing, leaders weak	Dec.
Italy	2	7	7	2	1	3	4	Expansion continuing	Oct./Dec.
Japan	4	7	6	8	19	13	16	Expansion continuing, leaders strong	Dec.
Australia	3	7	11	11	9	8	4	Expansion continuing	Dec.
Taiwan, R.O.C.	8	6	7	6	13	15	11	Expansion continuing, leaders strong	Jan.
Korea, R.O.K.	7	5	7	7	11	9	12	Expansion continuing, leaders strong	Jan.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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INDEXES, WORLDWIDE AND BY REGION, 1987-88

		10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (4)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
May	87	117	128	118	127	117	128	110	116	129	146
June	87	118	131	119	130	117	131	111	117	131	152
July	87	119	132	119	132	118	131	111	118	132	156
Aug.	87	119	133	120	134	118	131	112	118	132	162
Sept.	87	120	134	120	134	119	132	112	118	134	162
Oct.	87	120	133	121	133	120	132	113	118	134	160
Nov.	87	121	132	122	132	120	131	113	117	135	158
Dec.	87	122	132	123	132	121	131	114	117	136	157
Jan.	88	122	132	123	132	121	131	114	118	137	156
Feb.	88	123	132	125	132	122	132	115	118	140	156
Mar.	88	124	134	125	135	122	132	116	119	140	162
Apr.	88	124	135	125	137	123	132	116	119	139	168
May	88	124	136	125	139	123	131	116	120	139	173
June	88	125	138	126	140	124	134	117	120	141	175
July	88	125	138	126	141	124	133	117	121	141	176
Aug.	88	126	139	127	142	124	134	118	122	142	178
Sept.	88	126	138	127	141	124	133	118	122	143	176
Oct.	88	126	139	128	142	125	134	118	122	143	176
Nov.	88	127	140	129	143	125	134	118	123	145	178
Dec.	88	128	141	129	144	126	136	119	123	146	182

10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
Growth Rates, Percent									
Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
4	12	3	14	4	8	4	4	3	31
4	15	4	17	4	11	4	5	5	38
5	15	5	18	5	10	4	5	6	38
5	15	5	19	5	9	4	5	6	43
5	13	5	16	5	8	4	4	7	35
6	10	6	13	6	7	5	3	7	27
6	7	6	8	6	4	5	2	7	18
6	5	6	6	6	3	5	1	8	13
6	4	7	5	5	3	6	2	8	9
7	3	8	3	6	3	6	2	10	5
7	5	7	6	6	3	6	3	9	10
6	5	6	7	5	2	5	2	7	15
5	6	5	10	5	0	5	3	5	19
6	8	6	10	5	4	5	4	7	18
5	6	5	9	5	3	5	4	6	16
5	7	5	9	4	3	5	5	6	16
5	5	5	8	4	1	4	4	6	13
4	6	4	7	4	3	3	5	6	11
5	6	5	8	4	2	4	5	7	12
5	7	6	9	4	4	4	5	8	14
Ten Year Annual Growth Rate, Percent									
3	3	3	3	3	3	2	2	4	4

INDEXES, TEN COUNTRIES, 1987-89

		U.S.		Canada		West Germany		France		U.K.		Italy		Japan		Australia		Taiwan, R.O.C.		Korea, R.O.K.	
		Indexes, 1980 = 100																			
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
May	87	116	129	122	121	109	114	116	120	108	116	108	116	126	146	122	120	165	181	179	183
June	87	117	132	122	120	110	115	116	120	109	116	108	116	128	154	123	120	166	182	182	187
July	87	118	132	122	121	110	116	117	121	110	118	108	116	129	158	125	121	168	184	183	189
Aug.	87	118	132	123	121	110	117	117	121	110	117	107	114	130	166	124	122	169	187	181	182
Sept.	87	118	133	124	124	111	117	118	123	110	117	108	115	131	164	125	123	171	193	187	197
Oct.	87	120	132	125	122	111	117	119	122	111	117	109	115	132	162	125	123	171	194	187	189
Nov.	87	120	131	126	123	111	116	119	122	112	116	109	114	133	159	124	122	171	191	191	195
Dec.	87	121	132	126	123	112	116	120	122	112	116	110	114	134	158	127	123	171	193	196	198
Jan.	88	120	132	127	125	112	117	121	122	113	117	111	114	134	157	127	122	170	192	199	202
Feb.	88	121	133	127	125	112	118	122	123	114	117	112	115	137	156	128	123	174	197	203	202
Mar.	88	122	133	128	126	113	118	122	124	114	118	113	116	137	162	130	125	172	201	203	205
Apr.	88	122	133	128	125	112	118	122	123	114	117	113	115	136	170	128	126	172	202	199	201
May	88	122	132	128	125	113	119	123	125	114	118	113	116	136	176	129	128	174	205	197	202
June	88	123	135	129	126	114	119	124	127	114	118	114	116	138	178	131	129	175	206	200	208
July	88	123	133	129	125	113	121	125	127	115	119	115	116	138	179	132	129	177	209	199	209
Aug.	88	124	135	130	124	115	121	125	127	115	119	114	117	138	180	132	131	180	215	203	212
Sept.	88	124	133	130	125	115	121	126	129	115	118	113	117	139	178	136	131	181	217	203	209
Oct.	88	125	135	130	125	114	121	125	130	116	118	113	117	140	179	136	129	180	218	206	212
Nov.	88	125	135	131	125	115	122	127	131	116	120		116	141	180	136	131	184	219	206	216
Dec.	88	125	137	131	125	116	122	127	131	117	119		118	143	185	138	130	184	218	206	220
Jan.	89	126	138			116			132									182	220	209	221
		Growth Rates, Percent																			
May	87	4	8	6	6	3	3	5	6	5	5	2	2	1	35	4	9	13	16	12	13
June	87	4	11	6	5	3	4	5	6	5	5	2	3	3	44	6	8	12	15	13	16
July	87	5	10	6	6	3	6	5	6	6	7	1	2	5	44	8	9	12	14	12	15
Aug.	87	5	9	6	5	4	6	5	6	6	5	0	−1	5	50	6	9	12	16	8	5
Sept.	87	5	8	6	8	3	5	6	7	5	3	1	0	6	40	7	10	12	20	13	21
Oct.	87	6	7	7	5	3	5	6	4	6	3	3	0	7	30	5	8	10	18	11	9
Nov.	87	5	4	7	6	4	2	6	3	6	0	3	−1	7	20	4	6	8	13	14	14
Dec.	87	6	3	7	5	4	2	7	3	6	0	3	−1	7	13	7	5	6	13	16	15
Jan.	88	5	3	7	6	3	3	7	3	7	2	6	−2	8	9	7	3	4	9	18	16
Feb.	88	6	3	6	5	4	3	7	4	6	0	6	−1	10	4	7	4	8	12	19	13
Mar.	88	6	3	6	5	4	3	7	5	6	2	7	1	9	10	8	6	4	14	16	15
Apr.	88	6	1	5	4	3	3	6	3	6	1	7	0	7	16	5	6	4	12	10	8
May	88	5	0	5	4	3	4	6	4	5	2	6	1	6	21	4	8	4	14	6	8
June	88	5	4	5	4	4	4	7	7	4	2	7	1	7	19	7	9	5	12	7	12
July	88	5	1	5	1	3	5	7	6	4	2	7	2	6	18	8	8	6	13	5	11
Aug.	88	4	3	4	1	5	5	7	6	4	3	5	3	5	17	7	10	8	17	8	13
Sept.	88	4	1	4	1	4	4	7	8	3	1	3	3	6	13	11	8	8	16	6	7
Oct.	88	4	3	4	0	3	5	4	9	4	1	2	3	5	12	11	4	7	15	7	9
Nov.	88	4	3	4	0	4	4	6	9	4	4		4	6	12	8	6	10	14	6	11
Dec.	88	4	5	4	1	4	5	5	8	4	1		4	8	16	11	4	8	11	4	13
Jan.	89	5	6			4			9									6	11	7	12
		Ten Year Annual Growth Rate, Percent																			
1976-86		3	3	3	3	2	2	2	2	2	2	2	2	4	4	3	3	8	8	7	7